

TARIFF ACTION MEMO

Date: April 6, 2023

Date Filed: February 27, 2023

Statutory End Date: April 13, 2023

File No: TA127-118, TA165-97, TA170-37, and TA121-290

Name of Utility: College Utilities Corporation (CUC) and Golden Heart Utilities (GHU)

Subject: Plant Replacement and Improvement Surcharge Mechanism (PRISM)
Surcharge Update

Recommendations

Staff recommends the Commission:

1. Approve Tariff Sheet Nos. 30 and 99, filed February 27, 2023, with TA165-97 and TA127-118, by CUC and GHU, respectively, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be April 14, 2023.
2. Approve Tariff Sheet Nos. 26 and 95, filed February 27, 2023, with TA170-37 and TA121-290, by CUC and GHU, respectively, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be April 14, 2023.

Please see attached Staff Memorandum supporting the above recommendations.

Signed: Becki Alvey
Becki Alvey

Title: Utility Tariff Analyst

Commission decision regarding these recommendations:

	<u>Date (if different from 4/6/2023)</u>	<u>I Concur</u>	<u>I Do Not Concur</u>	<u>I Will Write a Dissenting Statement*</u>
Kurber		<u>KKT</u>		
Doyle		<u>BD</u> BD		
Pickett		<u>RMP</u> BP		
Sullivan		<u>RMP</u> BP for DS		
Wilson		<u>JWW</u> JWW		

*If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

MEMORANDUM

To: Keith Kurber II, Chairman
Robert A. Doyle
Robert M. Pickett
Daniel A. Sullivan
Janis W. Wilson

Date: April 6, 2023

From: Becki Alvey, Utility Tariff Analyst

Subject: PRISM Surcharge Update

Recommendations

Staff recommends the Commission:

1. Approve Tariff Sheet Nos. 30 and 99, filed February 27, 2023, with TA165-97 and TA127-118, by CUC and GHU, respectively, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be April 14, 2023.
2. Approve Tariff Sheet Nos. 26 and 95, filed February 27, 2023, with TA170-37 and TA121-290, by CUC and GHU, respectively, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be April 14, 2023.

Background

On November 29, 2011, the Commission opened Docket No. R-11-006 to discuss new regulations establishing PRISM for economically regulated water and wastewater utilities.¹ After two technical conferences that resulted in the formation a utility working group and multiple comment periods, the Commission adopted regulations for PRISM on February 25, 2014.² The regulations were filed with the Lieutenant Governor on May 30, 2014, and became effective June 29, 2014.³ PRISM allows eligible water or wastewater utilities to establish a surcharge to recover capital costs associated with plant placed in service between general rate cases.⁴

In Docket Nos. U-15-091 (water) and U-15-092 (wastewater), GHU and CUC's (hereinafter referred to together as 'the Utilities') proposed new provisions for implementing the PRISM surcharge established in Docket No. R-11-006. In Order No. U-15-089(18)/U-15-091(18)/U-15-092(18), the Commission accepted a stipulation between the Utilities and the Attorney General (AG). At the time that order was issued, the

¹ See Order No. R-11-006(1), *Order Opening Docket and Scheduling Technical Conferences*, issued November 29, 2011.

² See Order No. R-11-006(7), issued February 25, 2014.

³ See Order No. R-11-006(8), issued July 2, 2014.

⁴ See 3 AAC 52.800.

Commission was still evaluating the Utilities' proposed PRISM tariff sheets.⁵ On June 8, 2016, the Utilities filed revised PRISM tariff sheets as agreed to at an informal conference that was held to discuss the matter. On June 16, 2016, the Commission approved the Utilities' PRISM tariff sheets.⁶

On June 3, 2019, the Utilities filed TA140-97, TA101-118, TA145-37, and TA95-290, revenue requirement studies based on a 2018 test year. With those filings, the Utilities proposed to reset their PRISM surcharges to 0%.⁷ On July 15, 2019, the Commission issued Order No. U-19-070(1)/U-19-071(1) suspending the tariff filings and approved the proposed interim tariff sheets on an interim and refundable basis. On January 19, 2021, the Commission issued Order No. U-19-070(21)/U-19-071(21)/U-19-087(18)/U-19-088(18) (Order No. U-19-070(21) et al.), resolving the revenue requirement and requiring filings. On February 3, 2021, the Utilities filed a petition for partial reconsideration.⁸ On February 23, 2021, the Commission issued Order No. U-19-070(23)/U-19-071(23)/U-19-087(20)/U-19-088(20) extending the time to consider the petition for reconsideration until April 30, 2021. On April 30, 2021, the Commission issued Order No. U-19-070(26)/U-19-071(26)/U-19-087(23)/U-19-088(23) granting in part the petition for partial reconsideration and required filings. On May 26, 2021, GHU and CUC filed a Notice of Appeal (Motion to stay) from Administrative Agency in the Alaska Superior Court.⁹ On June 8, 2021, the Superior Court issued its Order Granting Motion for Stay, dated June 7, 2021, in Case No. 3AN-21-06152 CI. GHU and CUC filed a Notice of Filing of order granting Motion to Stay.¹⁰ On January 4, 2023, the Commission received an order from the Alaska Superior Court in Case No. 3 AN-21-06152 CI. That order reaffirmed the Commission's order.¹¹ On January 19, 2023, GHU and CUC filed a Notice of Appeal in the Alaska Supreme Court, designated as Supreme Court No. S-18624.¹²

On August 17, 2021, the Utilities filed TA155-97, TA116-118, TA160-37, and TA110-290, revenue requirement studies based on a 2020 test year. With those filings, the Utilities proposed to reset their PRISM surcharge to 0%.¹³ On October 1, 2021, the Commission issued Order No. U-21-070(1)/U-21-071(1) suspending the tariff filings and approved the proposed interim tariff sheets on an interim and refundable basis. On September 9, 2022, the Commission issued Order No. U-21-070(12)/U-21-071(12), accepting a stipulation, approving tariff sheets, and closing the dockets.

⁵ See Order No. U-15-089(19)/U-15-091(19)/U-15-092(19), issued June 16, 2016, at page 2.

⁶ See Order No. U-15-089(18)/U-15-091(18)/U-15-092(18), issued May 26, 2016.

⁷ See tariff advice letters for TA140-97, TA101-118, TA145-37, and TA95-290, filed June 3, 2019.

⁸ See Golden Heart Utilities, Inc. and College Utilities Corporation's Petition for Partial Reconsideration, filed February 3, 2021.

⁹ See 21-0093, Appeal Order in U-19-070A.

¹⁰ See TR2103254, dated June 11, 2021.

¹¹ See TR2300054, filed January 4, 2023.

¹² See TR2300405, filed January 19, 2023.

¹³ See tariff advice letters for TA155-97, TA116-118, TA160-37, and TA110-290, filed August 17, 2021.

Filing

The Utilities now submit TA165-97 and TA127-118 pertaining to the joint water utility operations PRISM surcharge update, and TA170-37 and TA121-290 pertaining to the joint wastewater PRISM surcharge update.

The Commission evaluates proposed revisions to PRISM under 3 AAC 52.800 – 3 AAC 52.890, which provides what information is required for each proposed PRISM surcharge revision. This includes information supporting the calculation of the surcharge, prefiled direct testimony, the utility's most recent long-term infrastructure improvement plan, the utility's most recent annual asset optimization plan, and certification that a general rate case has been filed within the five years immediately preceding the establishment or revision of the surcharge tariff.¹⁴

With TA165-97, TA127-118, TA170-37, and TA121-290, the Utilities submitted the calculation of their water and wastewater PRISM surcharge, supporting information for those calculations, a copy of their most recent long-term infrastructure improvement plan, a copy of their most recent annual asset optimization plan, and prefiled direct testimony which included a certification that a general rate case had been filed within the most recent five years.¹⁵

The Utilities' approved methodology for calculating the PRISM surcharge is as follows:¹⁶

$$PRISM = \frac{((EP \times WACC) + Dep + Taxes + e)/2}{PSAR}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation.¹⁷ To the extent bonus depreciation is applicable to eligible plant; the Utility will make an adjustment to subtract related Accumulated Deferred Income Taxes (ADIT).

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

¹⁴ See 3 AAC 52.805(d).

¹⁵ See Direct Prefiled Testimony of Oran Paul filed February 27, 2023, at page 3.

¹⁶ See Tariff Sheet Nos. 26 (CUC wastewater), 95 (GHU wastewater), 30 (CUC water), and 99 (GHU water), effective June 16, 2016.

¹⁷ 3 AAC 52.830 provides a list of eligible plant for water and wastewater utilities. Staff notes that the Utilities' tariffs also provide a list of eligible plant. See Tariff Sheet Nos. 24 (CUC wastewater), 93 (GHU wastewater), 28 (CUC water), and 97 (GHU water).

With TA116-118 and TA155-97 (water) and TA110-290 and TA160-37 (wastewater), GHU and CUC proposed the following actual capital structures: 57.62% equity/42.38% debt for water and 57.03% equity/42.97% debt for wastewater.¹⁸ The parties to the stipulation in Docket Nos. U-21-070 and U-21-071 agreed to a 11.00% return on equity for the Utilities' joint water operations, a 11.00% return on equity for the Utilities' joint wastewater operations.¹⁹ Staff notes that the stipulation is silent on the capital structure.

Staff verified that the Utilities' weighted average cost of capital of 7.5976%²⁰ for water and 7.7410%²¹ for wastewater was calculated using the return on equity agreed to by the parties in the stipulation and actual capital structures proposed with its revenue requirement studies. In addition, Staff verified that the depreciation accrual rates used in calculating the depreciation expenses related to PRISM eligible plant matches the depreciation accrual rates of the stipulated depreciation study and those stipulated to by the parties.²²

Exhibit A, filed as an attachment to each PRISM filing, provides the cost, annual depreciation expense, and annual ADIT for each asset placed into service.²³ During Staff's review of Exhibit A filed with TA93-118, TA132-97, TA137-37, and TA87-290,²⁴ Staff noted that it did not appear that the eligible plant costs were decreasing due to further depreciation of the assets – accumulated depreciation. With Letter Order No. L1800162, the Commission required the Utilities to calculate future PRISM filings using the methodology set out in their tariffs or request a change to their PRISM methodologies in separate filings.²⁵

With TA96-118, TA135-97, TA140-37, and TA90-290, the Utilities updated Exhibit A to include a column for accumulated depreciation. The accumulated depreciation decreases the eligible plant costs that are used to calculate the PRISM surcharge. Staff verified that the Utilities reduced eligible plant costs by the accumulated depreciation. With the instant filings, Staff also verified that the Utilities reduced eligible plant costs by the accumulated depreciation. Staff believes that the Utilities continue to comply with the requirement of Letter Order No. L1800162.

¹⁸ See Prefiled Direct Testimony of William J. Wilks, filed August 17, 2021, at Exhibit WJW-02, page 60 for water and Exhibit WJW-03, at page 65 for wastewater.

¹⁹ See Order No. U-21-070(12)/U-21-071(12) Appendix, at page 5.

²⁰ See TA127-118 and TA165-97, at page 5 of Exhibit A.

²¹ See TA170-37 and TA121-290, at page 5 of Exhibit A.

²² See TA155-97, TA116-118, TA160-37, and TA110-290, at Exhibit DAW-1. Staff notes that GHU and CUC filed a depreciation study with their revenue requirement studies. See also Order No. U-21-070(12)/U-21-071(12) Appendix, at page 4.

²³ See TR1801340, filed March 15, 2018. The Utilities provided an explanation of each column header found on pages 2 through 9.

²⁴ See pages 2 through 9 of Exhibit A of TA143-97, TA104-118, TA148-37, and TA98-290.

²⁵ See Letter Order No. L1800162, issued April 11, 2018.

Consumer Protection

3 AAC 52.840 provides protection to customers by limiting the amount of the surcharge and establishing provisions for resetting the surcharge. Specifically, 3 AAC 52.840(d) provides that the PRISM surcharge may be reset to zero, or another reduced rate that the Commission establishes by order, if the Commission, based on annual report data or otherwise, and after notice and an opportunity to be heard, finds that the utility's earned rate of return, including surcharge revenues, exceeds the rate of return used to calculate the surcharge rate.²⁶ Further, 3 AAC 52.825(c) and (d) provide methods for adjusting the surcharge should a utility over- or under-collect surcharge revenue.²⁷ Staff notes that the Commission required the Utilities to file their earned rate of return, including PRISM surcharge revenues with their annual operation reports starting with the reports due March 31, 2017, and on an ongoing basis.²⁸ The Utilities most recently reported that the joint water ROE is 4.92% and the joint wastewater ROE is 4.88%.²⁹

Notice

3 AAC 52.810(b) provides that a utility shall notify customers by bill insert, or other method specified in its surcharge tariff, before filing surcharge updates and additional notice of a surcharge update will not be required unless ordered by the Commission.³⁰ The Utilities' tariffs provide that customers will be notified by bill insert.³¹

With Letter Order No. L1700135, the Commission required, among other things, the Utilities to provide advanced notification of the PRISM surcharge change, through bill inserts, in sufficient time to allow customers the opportunity to comment with the Commission on the PRISM surcharge filings. In addition, the Commission required that the Utilities include the date the bill insert notifying customers of the PRISM surcharge change was issued or will be issued in its tariff advice letter with each PRISM surcharge filing.³² No public notice was issued for TA165-97, TA127-118, TA170-37, and TA121-290 in accordance 3 AAC 52.810(b)³³ and the Utilities' tariffs.³⁴

The Utilities filed a copy of the bill insert with TA165-97, TA127-118, TA170-37, and TA121-290.³⁵ In addition, the Utilities provided the date the bill insert was included with

²⁶ See 3 AAC 52.840(d).

²⁷ See 3 AAC 52.825(c) and (d).

²⁸ See Letter Order No. L1600507, issued October 21, 2016, at page 2.

²⁹ See TR2202252, filed May 25, 2022, for CUC water at page 1; TR2202251, filed May 25, 2022, for CUC wastewater at page 1; TR2202250, filed May 25, 2022, for GHU water at page 1; and TR2202249, filed May 25, 2022, for GHU wastewater, at page 1.

³⁰ See 3 AAC 52.810(b).

³¹ See Tariff Sheet Nos. 96 (GHU wastewater), 27 (CUC wastewater), 100 (GHU water), and 31 (CUC water), effective June 16, 2016.

³² See Letter Order No. L1700135, issued April 7, 2017, at page 1.

³³ 3 AAC 52.810(b) provides that the utility shall notify customers by bill insert or other method specified in the approved surcharge tariff and an additional notice of a surcharge updated will not be required unless ordered by the Commission.

³⁴ See Tariff Sheet Nos. 96 (GHU wastewater), 27 (CUC wastewater), 100 (GHU water), and 31 (CUC water), effective June 16, 2016.

³⁵ See TA165-97, TA127-118, TA170-37, and TA121-290, filed February 27, 2023, at Exhibit C.

the bills in their tariff advice letters. Staff notes that CUC customers saw the bill insert in bills rendered February 23, 2023, and GHU customers saw the bill insert with bills rendered March 2, 2023.³⁶ Staff notes that the Utilities have provided more than 30 days' notice to its customers of PRISM surcharge change. Staff believes that the Utilities have provided notice as required by their tariff and met the requirements of the Letter Order No. L1700135 for the instant filings. Staff will continue to verify that the Utilities meet the requirements of Letter Order No. L1700135 with each PRISM surcharge update.

Analysis/Discussion

Water PRISM Surcharge Increase

With TA165-97 and TA127-118, filed by CUC and GHU, respectively, the Utilities propose a PRISM surcharge of 2.49% for water customers.³⁷ This is an increase from the Utilities' current PRISM surcharge of 1.99%.

The Utilities reported that the eligible water plant costs are \$3,496,936. This amount, multiplied by the weighted average cost of capital, 7.5976% for water, equals a total return component of \$265,682. The total semi-annual costs, which is the sum of the total return component, depreciation, taxes, and any correction or adjustment, divided by two, equals \$199,608.64. The costs are then divided by the semi-annual revenues, projected at \$8,015,789,³⁸ which equals 2.49%.³⁹ Staff notes that the Utilities included an adjustment of (\$5,255) to reflect an over-collection of PRISM surcharge revenues, in accordance with 3 AAC 52.825(c).⁴⁰

The PRISM surcharge is applied to all classes of service for each customer's billed revenue.⁴¹ The impact on a typical residential customer is shown in the following table.

³⁶ See tariff advice letters for TA165-97, TA127-118, TA170-37, and TA121-290, filed March 3, 2022, at page 3.

³⁷ See side by side Tariff Sheet Nos. 30 and 99, attached as BA-1.

³⁸ See TA127-118 and TA165-97, at page 1 of Exhibit A Sales Projections.

³⁹ See TA127-118 and TA165-97, at page 1 of Exhibit A.

⁴⁰ 3 AAC 52.825(c) provides that the utility shall reconcile all PRISM surcharge revenue to eligible capital costs no less often than annually and if the revenue exceeds the costs, the excess will be used to reduce the eligible capital costs over the next period. It also provides that if costs exceed revenue, the excess will increase the eligible capital costs for purposes of calculating the surcharge over the next period.

⁴¹ See Tariff Sheet Nos. 29 and 98 for CUC and GHU, respectively, effective June 16, 2016.

Customer Water Bill	Current	Proposed	Difference
PRISM Surcharge	1.99%	2.49%	0.50%
<u>Customer Bill 3,212 gallons</u>			
Usage fee (\$9.95/1,000 gal)	\$ 31.96	\$ 31.96	\$ -
Customer Fixed Fee	11.31	11.31	-
Public Fire Fee	4.57	4.57	-
Meter Charge (3/4" Meter)	15.07	15.07	-
COEA ((\$0.26666)/1,000 gal)	(0.86)	(0.86)	-
Regulatory Cost Charge, 1.330%	0.83	0.83	-
PRISM Surcharge	1.26	1.55	0.29
Total Customer Bill	\$ 64.14	\$ 64.43	\$ 0.29

Staff has verified that the PRISM surcharge for the Utilities' joint water operations has been calculated using the Utilities' approved methodology.

Wastewater PRISM Surcharge Increase

With TA170-37 and TA121-290, filed by CUC and GHU, respectively, the Utilities propose a PRISM surcharge of 3.41% for wastewater customers.⁴² This is an increase from the Utilities' current PRISM surcharge of 2.42%.

The Utilities reported that the eligible wastewater plant costs are \$5,725,504. This amount multiplied by the weighted average cost of capital, 7.7410% for wastewater, equals a total return component of \$443,209. The total semi-annual costs, which is the sum of the total return component, depreciation, taxes, and any correction or adjustment, divided by two, equals \$330,110. The costs are then divided by the semi-annual revenues, projected at \$9,674,409,⁴³ which equals 3.41%.⁴⁴ Staff notes that the Utilities included an adjustment of (\$27,088) to reflect an over-collection of PRISM surcharge revenues, in accordance with 3 AAC 52.825(c).⁴⁵ Staff notes that part of the large over-collection, (\$25,184.71), was a result of plant categorized as placed in service prematurely.⁴⁶

The PRISM surcharge is applied to all classes of service for each customer's billed revenue.⁴⁷ The impact on a typical residential customer is shown in the following table.⁴⁸

⁴² See side by side Tariff Sheet Nos. 26 and 95, attached as BA-1.

⁴³ See TA170-37 and TA121-290 at page 1 of Exhibit A Sales Projections

⁴⁴ See TA170-37 and TA121-290 at page 1 of Exhibit A.

⁴⁵ 3 AAC 52.825(c) provides that the utility shall reconcile all PRISM surcharge revenue to eligible capital costs no less often than annually and if the revenue exceeds the costs, the excess will be used to reduce the eligible capital costs over the next period. It also provides that if costs exceed revenue, the excess will increase the eligible capital costs for purposes of calculating the surcharge over the next period.

⁴⁶ See TA170-37 and TA121-290 at page 11 of Exhibit A.

⁴⁷ See Tariff Sheet Nos. 25 and 94 for CUC and GHU, respectively, effective June 16, 2016.

⁴⁸ Staff notes that customers that only receive wastewater service also pay a meter charge. Customers that receive water and wastewater service only pay one meter charge.

Monthly Customer Wastewater Bill	Current	Proposed	Difference
PRISM Surcharge	2.42%	3.41%	0.99%
<u>Customer Bill of 2,955 gallons</u>			
Usage fee (\$15.80/1,000 gal)	\$ 46.69	\$ 46.69	\$ -
Customer Fixed Fee	19.78	19.78	-
COEA ((\$0.04402)/1,000 gal)	(0.13)	(0.13)	-
Regulatory Cost Charge, 0.890%	0.59	0.59	-
PRISM Surcharge	1.61	2.26	0.66
Total Customer Bill	\$ 68.53	\$ 69.19	\$ 0.66

Staff has verified that the PRISM surcharge for the Utilities' joint wastewater operations has been calculated using the Utilities' approved methodology.

Long-term Infrastructure Improvement Plan and Asset Optimization Plan

3 AAC 52.805(d)(1) provides that a copy of the utility's most recent long-term infrastructure improvement plan must accompany PRISM surcharge filings.⁴⁹ Additionally, 3 AAC 52.805(d)(2) provides that a copy of the utility's most recent annual asset optimization plan must accompany PRISM surcharge filings.⁵⁰ 3 AAC 52.815(e) requires Commission Staff to review the long-term infrastructure improvement plan or the asset optimization plan for compliance with the provisions of 3 AAC 52.800 – 3 AAC 52.890, the uniform system of accounts established for water and wastewater utilities, generally accepted accounting principles, and reasonable management practices.

Staff verified that the Utilities provided copies of the long-term infrastructure improvement plans, revised March 2023, and asset optimization plans, revised March 2023. Staff reviewed the asset optimization plans and believes the asset optimization plans comply with the uniform system of accounts established for water utilities and wastewater utilities.⁵¹ Staff also believes that the Utilities complied with generally accepted accounting principles as stated in the Utilities' 2021 audited financial statements.⁵²

Tariff Sheets

Staff reviewed Tariff Sheet Nos. 30 and 99 related to water and Tariff Sheet Nos. 26 and 95 related to wastewater. Staff has verified the proposed surcharges were calculated accurately using the Utilities' approved methodology, the proper support was filed, and the tariff sheets are correct.

⁴⁹ See 3 AAC 52.805(d)(1).

⁵⁰ See 3 AAC 52.805(d)(2).

⁵¹ Staff notes that the regulations at 3 AAC 48.277 provide that water and wastewater utilities shall maintain records in accordance with the Uniform System of Accounts prescribed by the National Association of Regulatory Utility commissioners which were in effect on January 1, 1982. CUC and GHU use the 1996 version of the Uniform System of Accounts (see TA122-97, TA80-118, TA127-37, and TA74-290 Response to Staff Question re: Uniform System of Accounts for GHU and CUC). Staff verified CUC and GHU's account numbers with the 1996 edition of the Uniform System of Accounts. Staff also notes that with Letter Order No. L1600507, the Commission waived the use of the 1982 Uniform System of accounts and allowed the Utilities to use the 1996 Uniform System of Accounts (see Letter Order No. L1600507, issued October 21, 2016).

⁵² See TR2202268 at page 30 of the pdf document.

Conclusion

With TA165-97, TA127-118, TA170-37, and TA121-290, the Utilities propose to update the PRISM surcharge. Based on the discussion above, Staff recommends the Commission:

1. Approve Tariff Sheet Nos. 30 and 99, filed February 27, 2023, with TA165-97 and TA127-118, by CUC and GHU, respectively. The effective date of the tariff sheets should be April 14, 2023.
2. Approve Tariff Sheet Nos. 26 and 95, filed February 27, 2023, with TA170-37 and TA121-290, by CUC and GHU, respectively. The effective date of the tariff sheets should be April 14, 2023.

Signature: Keith Kurber II
Keith Kurber II (Apr 6, 2023 10:35 AKDT)

Email: keith.kurber@alaska.gov

Signature: Bob Doyle
Bob Doyle (Apr 6, 2023 10:41 AKDT)

Email: bob.doyle@alaska.gov


Signature: 
Bob Pickett (Apr 6, 2023 10:48 AKDT)

Email: bob.pickett@alaska.gov


Signature: Janis W. Wilson
Janis W. Wilson (Apr 6, 2023 11:15 AKDT)

Email: janis.wilson@alaska.gov

RCA NO. 97	15 th REVISION	SHEET NO. 30	RECEIVED AUG 26 2022 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small>
CANCELING			
	14 th REVISION	SHEET NO. 30	
COLLEGE UTILITIES CORPORATION			
PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + \text{e})/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WATER SURCHARGE RATE: The PRISM percentage is 1.99% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 162-97 EFFECTIVE: 10/14/2022			
ISSUED BY: COLLEGE UTILITIES CORPORATION BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			

RCA NO. 97	16 th REVISION	SHEET NO. 30	
CANCELING			
	15 th REVISION	SHEET NO. 30	
COLLEGE UTILITIES CORPORATION			
PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + \text{e})/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WATER SURCHARGE RATE: The PRISM percentage is 2.49% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 165-97 EFFECTIVE: 4/14/2023			
ISSUED BY: COLLEGE UTILITIES CORPORATION BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			

RCA NO. 118	15 th REVISION	SHEET NO. 99	RECEIVED AUG 26 2022 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small>
CANCELING			
	14 th REVISION	SHEET NO. 99	
GOLDEN HEART UTILITIES, INC. PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WATER SURCHARGE RATE: The PRISM percentage is 1.99%</p> <p style="text-align: right;">I</p>			
PURSUANT TO: TARIFF ADVICE NO: 123-118 EFFECTIVE: 10/14/2022			
ISSUED BY: <u>GOLDEN HEART UTILITIES, INC</u> BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			


RCA NO. 118	16 th REVISION	SHEET NO. 99	
CANCELING			
	15 th REVISION	SHEET NO. 99	
GOLDEN HEART UTILITIES, INC. PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WATER SURCHARGE RATE: The PRISM percentage is 2.49%</p> <p style="text-align: right;">I</p>			
PURSUANT TO: TARIFF ADVICE NO: 127-118 EFFECTIVE: 4/14/2023			
ISSUED BY: <u>GOLDEN HEART UTILITIES, INC</u> BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			

RCA NO. 37	15 th REVISION	SHEET NO. 26	RECEIVED AUG 26 2022 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small>
CANCELING			
	14 th REVISION	SHEET NO. 26	
COLLEGE UTILITIES CORPORATION PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 2.42% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 167-37 EFFECTIVE: 10/14/2022			

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY: /s/ Oran Paul Title: President

Oran Paul


RCA NO. 37	16 th REVISION	SHEET NO. 26	
CANCELING			
	15 th REVISION	SHEET NO. 26	
COLLEGE UTILITIES CORPORATION PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 3.41% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 170-37 EFFECTIVE: 4/14/2023			

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY: /s/ Oran Paul Title: President

Oran Paul

RCA NO. 290	15 th REVISION	SHEET NO. 95	RECEIVED AUG 26 2022 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small>
CANCELING			
	14 th REVISION	SHEET NO. 95	
GOLDEN HEART UTILITIES, INC. PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times WACC) + Dep + Taxes + e)/2}{PSAR}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 2.42% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 117-290 EFFECTIVE: 10/14/2022			
ISSUED BY: <u>GOLDEN HEART UTILITIES, INC</u> BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			

RCA NO. 290	16 th REVISION	SHEET NO. 95	
CANCELING			
	15 th REVISION	SHEET NO. 95	
GOLDEN HEART UTILITIES, INC. PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM			
<p>d. Computation: (continued)</p> <p>Formula: The formula for calculating the plant replacement surcharge percentage is as follows:</p> $\text{PRISM} = \frac{((EP \times WACC) + Dep + Taxes + e)/2}{PSAR}$ <p>Where:</p> <p>EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.</p> <p>WACC = the weighted average cost of capital approved in the utility's most recent general rate case.</p> <p>Dep = the depreciation expense related to PRISM eligible plant.</p> <p>Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.</p> <p>e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.</p> <p>PSAR = the projected semi-annual revenues to be collected from customers.</p> <p>PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 3.41% I</p>			
PURSUANT TO: TARIFF ADVICE NO: 121-290 EFFECTIVE: 4/14/2023			
ISSUED BY: <u>GOLDEN HEART UTILITIES, INC</u> BY: <u>/s/ Oran Paul</u> Title: <u>President</u> <div style="text-align: center;">Oran Paul</div>			